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The Secretary  
Ontario Securities Commission  
20 Queen Street West  
22nd Floor  
Toronto, Ontario M5H 3S8

**June 17<sup>th</sup>, 2014**

**Re: CSA Proposed Amendments Relating to the Offering Memorandum Exemption**

Dear Madams:

I am writing to comment on the proposed amendments to NI 45-106, in particular the proposed annual investment limits for non-accredited investors. I am strongly opposed to imposing annual investment limits for non-accredited investors.

Eagles Edge Capital Corporation has been an Exempt Market Dealer (EMD) since December of 2010 and we have been an Investment Fund Manager (IFM) since April of 2011.

In my opinion, the proposed changes would be a step backwards from the NI 31-103 regime that was only implemented three years ago. I see no concrete data in existence that conclusively demonstrates that Exempt Market investments are any riskier than other product categories and the proposed rules are singling out the Exempt Market based on bias rather than facts, punishing everyone for the bad actions of a few. Is this bias pre NI 31-103 or after? I see no data that it could be after.

The ultimate and noble goal of reducing frauds and investor losses should be pursued collaboratively with all registration categories, industry wide, involving participants and their regulators. This would be in everyone's best interests.

A blanket policy of reducing the amount that a person can invest takes away an investor's rights and may in fact, be unconstitutional. In addition, setting limits on a particular product category could be considered as giving investment advice, which is not in the mandate or powers of the Securities Commissions. Adding these arbitrary contribution limits would further reduce available financing for early stage and small business financing. These limits would bring new, additional costs to an industry that hasn't yet recovered from the NI 31-103 mandated changes. Perhaps more focus and effort should be directed by ASC to the entities and individuals that continue to participate in the Exempt Market product that are non-compliant.

NI31-103 has brought structure, reporting and capital requirements to those of us that create and administer exempt market investment products. Since we follow the current requirements, we are providing our clients with more protection and risk mitigation through Suitability, Know your Product and Know your Client surveys. Knowing the full picture of the client, and their investment portfolio, will provide them with investor protections far better than an arbitrary number of \$30,000.00 per year.

This submission is being made on my own behalf. If you wish to discuss my comments with me further, my email address is [patricia@ricrd.ca](mailto:patricia@ricrd.ca).

Thank you,



Patricia Pollitt, CEO  
Eagles Edge Capital Corporation

CC:  
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